

## **ANNUAL BUDGET ESTIMATE/THREE-YEAR PLAN**

**8555**

(No.105 September 2013)

Standard state budgeting procedures require that Budget Change Proposals (BCPs) be documented and justified. Because the Schedule A program involves contracts between CAL FIRE and local agencies in which the local agency pays CAL FIRE for selected emergency services, a BCP is required to change resource levels within the cooperative fire protection budget element.

The budget estimate process described in the following sections will be used by Sacramento Headquarters to develop an annual Schedule A BCP. This process will be used to request current, as well as budget year changes, in excess of the resource levels approved in the current budget act, unless such changes solely reflect approved baseline price increases and/or employee compensation adjustments, or state positions for which only the emergency response charge is applicable.

Until the state budget is passed by the legislature and signed by the governor, CAL FIRE and local agencies must recognize that all negotiations to change or modify contracts are preliminary and nonbinding.

## **PREPARATION AND JUSTIFICATION**

**8555.1**

(No.133 August 2016)

### **Unit Chief**

Normally in June, July, or early August, the unit chief administering each contract will meet with a responsible local government official to develop an estimate of the fire protection organization and budget required for the following fiscal year. Written justification of the estimates in the form of a budget estimate/three-year plan will be prepared by the unit chief and will include the following steps:

#### **Step 1**

Based on recognized standards (e.g., NFPA, ISO, or other adopted or recognized standards) the local agency establishes fire protection service goals which it will strive to achieve during the next three years. Depending on the contract area, the local agency may establish different goals for various geographic areas of the contract. The goals will be described in the budget estimate/three year plan by program area (i.e., fire control, EMS, dispatch and communications, training, fire prevention, command/administration and support services) and will include the total level of existing and planned resources needed to achieve the stated goals.

## **Step 2**

The resource level from the current year will serve as the first year of the three-year plan. Step 2 explains and displays the resources available in the base year (Year 1). These existing resources should again be displayed by program area. A copy of Schedule A for the current year will be attached to the budget estimate package.

## **Step 3**

This step displays the difference between those resources existing in Year 1 of the three-year plan and those required by Year 3 to meet the established goals (e.g., if 2004-05 is Year 1, then what is the expected net change between then and 2007-08?).

## **Step 4**

This step explains and displays the resource changes requested for Year 2 of the three-year plan (i.e., if Year 1 is 2004-05, then what are the requested changes for 2005-06?). These are the increased or decreased resources that are being requested for inclusion in the Schedule A BCP (partial year positions should be shown as full positions, i.e., 1 PY).

## **Step 5**

Each plan will contain a cover page identifying the plan. The cover page will include the signature of the Unit Chief (as the local government de facto fire chief representing the cooperating agency under the existing cooperative agreement) and the region chief.

A sample budget estimate/three-year plan (in progress) is contained in the exhibits. Services provided in accordance with PRC §4143-4144 (Amador Plan) will be included in budget estimates and identified as such; however, approval of such services will be in accordance with statute and CCR Title 14 rather than this budget estimate process.

With approval of the Deputy Director for Fire Protection, contracts providing limited services and requiring no local government funded state employees may be exempted from preparation of a budget estimate/three-year plan. This could include such services as communication or vehicle maintenance. Local Responsibility Area (LRA) "wildland agreements" are to have a budget estimate/three-year plan prepared.

## **CAL FIRE INTERNAL REVIEW AND APPROVAL**

(No.105 September 2013)

**8555.2**

### **Region Chief**

Reviews budget estimates/three-year plan for accuracy, completeness, and conformance to policy.

Signs transmittal cover sheet.

Submits completed budget estimates by August 15 to deputy director for Fire Protection.

### **Cooperative Fire Services Deputy Chief**

Reviews budget estimates; consolidates all budget estimates into one budget change proposal (BCP).

Submits BCP to budget officer by September 1.

### **Budget Officer**

Reviews BCP for completeness, justification, documentation and format.

Obtains department approvals.

Submits BCP to Department of Finance by September 15.

If any changes in the budget estimates occur after September 15, the budget officer will submit changes to the Department of Finance not later than November 15 of each year.

## **DEPARTMENT OF FINANCE REVIEW AND APPROVAL**

(No.105 September 2013)

**8555.3**

Pursuant to the normal state budget process, but not later than December 15 of each year, the Department of Finance will advise CAL FIRE of the level approved for current year revisions and the level it is recommending for the upcoming year.

## **LOCAL AGENCY AND DEPARTMENT ADJUSTMENT PROCESS**

**8555.4**

(No.105 September 2013)

### **Department**

After the governor's budget is presented to the legislature (not later than January 10 each year), contracting local agencies are advised through channels of the resource levels approved by the governor for inclusion in his budget.

### **Local Agencies**

After December 15, local agency requests for upward adjustment to the governor's budget will only be considered if both the following conditions are met:

- The local agency and CAL FIRE can clearly demonstrate that the adjustment is needed to support resource levels which apply to the fire protection goals in the three-year plan, and
- One or more of the following occurs after November 15:
  - A significant court decision, labor relations action, or legislative act requires additional resources not anticipated in the budget estimate.
  - A situation exists where public safety would be significantly jeopardized if an adjustment was not made.
  - A significant revenue increase for the specific purpose of fire protection services is approved by the voters. The budget estimate must have discussed the potential for such action.

### **Department Budget**

If both conditions are met, and after obtaining necessary department and agency approval, the CAL FIRE budget officer will provide written notifications of requested upward adjustments to Department of Finance budget staff within ten working days of the date that the condition is confirmed to the unit chief by local government. Similarly, downward adjustments will be provided to Finance budget staff within ten working days. The unit chief must make prompt notification to the budget officer, through channels, in order to meet this deadline.

All such requests must reach the Department of Finance not later than the deadline established for submittal of Finance Letter requests (normally March 15 of each year).

## **Department of Finance**

Budget staff will consider Finance Letter requests and notify CAL FIRE of its recommended action not later than May 15 of each year.

## **Department Budget Officer**

CAL FIRE will immediately advise the unit chief, through channels, of the Department of Finance decision on a Finance Letter request.

## **STATE BUDGET ACT**

**8555.5**

(No.49 February 2005)

Upon passage of the state Budget Act by the legislature and its signing by the governor the Schedule A program resources level for the fiscal year will be established and such levels shall not be exceeded during the fiscal year without Department of Finance approval. At this time, the unit chief and the local agency can complete their budget and commence formal approval and signing of the contracts.

## **New Schedule A Agreement Process**

Steps in the Schedule A Agreement Process are listed on the [Schedule A Agreement Process Flow Chart](#). They are not necessarily in chronological order as some steps occur simultaneously.

[\(see next section\)](#)

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[\(see Forms or Forms Samples\)](#)